

**Enquiries to:**

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Jon Parker  
Head of Electricity Network Access  
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18 September 2018

Dear Jon,

**Getting more out of our electricity networks by reforming access and forward-looking charging arrangements consultation**

Please find below a response to the access and forward-looking charging arrangements consultation on behalf of Cambridgeshire and Peterborough Combined Authority, Cambridgeshire County Council and the Greater Cambridge Planning Service (Cambridge City Council and South Cambridgeshire District Council). As the public sector organisations responsible for growth in the Greater Cambridge area, ensuring that we have the right infrastructure in place to support economic and housing development as well as supporting existing residents and businesses is a key priority for us. To that end, we are supportive of the overall objectives of this consultation in terms of enabling the reforms needed to ensure that capacity is more readily available and that use of the network is more flexible to help reduce the need for costly reinforcements.

**Question 1: Do you agree with the case for change as set out in this chapter? Please give reasons for your response, and include evidence to support this where possible.**

The document notes that network constraints are becoming increasingly prevalent as the energy system transforms, and this is something that we have significant experience of in the Greater Cambridge area. A number of developments of national importance, such as the University of Cambridge's Eddington development, are already facing either significant costs in order to connect distributed generation to the network or, in some cases, are not being allowed to implement plans for DG due to fault levels having been reached. In other cases, such as the Southern Cluster, which comprises some of the UK's most successful and innovative biotechnology and research and development companies, expansion plans are having to be placed on hold as there is insufficient capacity on the network to supply the energy demands of those companies, as well as to enable connection of the DG that often

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accompanies these expansion plans. While UKPN are working on solutions to reinforce the network the time taken to plan, procure and deliver this spare capacity, plus the costs of doing so, are placing a constraint on the areas growth agenda, and also have the potential to delay the delivery of new housing.

There is a need to consider reforms to access charging against the wider process by which an areas growth agenda is planned. Paragraph 2.15 of the document notes that in the face of high up-front connection costs, new large demand-led developments have little option but to either not proceed or locate to an area that is less desirable for them but where there is spare network capacity. While from a network operation perspective the approach of encouraging relocation to areas that are less constrained is understandably desirable, from a local planning authority's perspective such an approach may lead to national targets for growth being missed and could lead to pressure for development in areas that are not in line with the national policy objective of delivering sustainable development.

In an area where the network is already highly constrained, but the demand for growth is high, we are keen to work proactively with Ofgem and the District Network/Systems Operators to ensure that we can plan for and invest in the infrastructure that is required to support the high levels of growth envisaged in our strategic and local planning documents. In addition to regulatory reform, part of the response must also include earlier and meaningful engagement between the District Network/Systems Operators and local planning authorities and Combined Authorities to inform growth plans and investment decisions, and we consider that Ofgem have a role to play in helping to facilitate this. We cannot avoid locating new development in areas that are highly constrained, but by working together more proactively to plan for these developments at the strategic planning stage, and by better aligning our infrastructure planning processes, we can consider ways to lessen the impact of new development on the network, including consideration of ways in which the public sector could help to forward fund infrastructure provision in advance of developments gaining planning permission. Such an approach may also help to deliver the priorities identified in the Housing White Paper with regards to ensuring the timely provision of utilities infrastructure to support housing delivery<sup>1</sup>.

**Question 8: Do you agree that the basis of forward-looking TNUoS charging should be reviewed in targeted areas? If you have views on whether we should review the following specific areas please also provide these:**

**a) Do you agree that forward-looking TNUoS charges for small distributed generation (DG) should be reviewed, as outlined in paragraphs 4.19-4.23**

The consultation also gives consideration to aligning small DG charging with that of larger generators, an approach that could reduce transmission network costs by improving signals

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf) (paragraph 2.24)

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for all generators to locate where they can reduce network costs. While we recognise that there is a need to review this approach and while this principle is likely to work for stand-alone small DG, it is our experience in the Greater Cambridge area that many of our housing and employment led developments will include an element of small DG and, in line with the issues raised above, it will not always be possible for these generators to locate to areas where they can reduce network costs. In addition, cumulatively such small DG plays an important role in reducing the carbon emissions associated with the built environment in line with building regulations and local planning requirements. At a time when the UK has some of the worst performing housing stock in Europe and policy gaps related to zero carbon buildings means that the UK is not on track to meet its fourth and fifth carbon budgets<sup>2</sup>, it is important to ensure that regulatory reform does not inadvertently hamper efforts to improve the performance of the built environment. We also consider it important that the regulatory framework helps to incentivise the development of smart energy systems and the connection of both small and large DG to such systems.

If you require any further information regarding the above submission, please do not hesitate to contact us using the contact details above. We would stress that we are keen to establish a proactive working arrangement with both Ofgem and the District Network/Systems Operator in order to help facilitate the delivery of energy infrastructure that supports growth and benefits all consumers, and would welcome an opportunity to meet with Ofgem to discuss this further.

Yours sincerely



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<sup>2</sup> <https://www.theccc.org.uk/wp-content/uploads/2018/01/CCC-Independent-Assessment-of-UKs-Clean-Growth-Strategy-2018.pdf>

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